

BYLAWS of the CRYSTAL COAST CHORAL SOCIETY, INC.

July 1, 2020

ARTICLE I

Identification

Section 1. Name.

The legal name of this non-profit corporation is the Crystal Coast Choral Society, Inc. (CCCS).

Section 2. Purpose.

(A) The mission of the CCCS shall be to afford residents of eastern North Carolina an opportunity to come together to perform choral music for the benefit of the surrounding communities and to foster future musicians in the communities we serve.

(B) CCCS, which is organized under the Non-Profit Corporation Act of North Carolina, shall operate exclusively for charitable and educational purposes and in a manner consistent with Chapter 55A of the General Statutes of North Carolina, and Section 501(c)(3) or successor provisions of the Internal Revenue Code.

Section 3. Antidiscrimination Statement.

No person or groups shall be discriminated against because of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or age.

Section 4. Limitations on Activities.

(A) No substantial part of the activities of CCCS shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and CCCS shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

(B) Notwithstanding any other provision of these Articles, CCCS shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 5. Offices.

(A)The principal office of CCCS shall be located at 8 Creekside Woods Ct., Swansboro, North Carolina 28584, located in Onslow County. The mailing address is P. O. Box 1954, Swansboro, NC 28584. The Board of Directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these Bylaws:

_____ Dated: _____, 20____

_____ Dated: _____, 20____

_____ Dated: _____, 20____

(B) CCCS may have such other offices, within or outside the County of Onslow, as may be

designated by the Board of Directors, or as shall be appropriate or necessary for the conduct of the affairs of CCCS.

Section 6. Corporate Seal.

The corporate seal of CCCS shall include the name of the Corporation. The official seal shall also contain such other words or figures as the Board of Directors may determine. The official seal may be used by placing, by any process whatsoever, an impression, facsimile, or other reproduction of said official seal. Such seal shall be kept at the principal office of CCCS. Failure to affix the seal to CCCS instruments, however, shall not affect the validity of any such instrument.

ARTICLE II

Members

Section 1. Definition.

CCCS is defined as an organization of singers that perform together.

- (A) No audition is required for membership.
- (B) A pleasant singing voice and a willingness to do individual practice outside of weekly rehearsals are required.
- (C) The ability to match pitch to sing within the appropriate voice section.

Section 2. Dues.

- (A) Annual dues amount is determined by the Board. Payment in full of annual dues constitutes membership in good standing and conveys voting rights.
- (B) Payment in full is required by Nov. 1 for the year (or March 1 for the Spring season) or as otherwise determined by the board.
- (C) Requests for waiver of payment, due to financial hardship, are to be made to the Music Director.

Section 3. Concert Dress Requirements.

Concert dress requirements must be followed and will be provided by the Music Director in collaboration with the Board each choral season. If members have challenges in meeting these requirements, they need to address these difficulties with the Music Director in order to obtain guidance and assistance.

Section 4. Attendance.

- (A) No more than 4 unexcused absences a season will be permitted in order to participate in CCCS performances.
- (B) Members must be present at dress rehearsal. Any excused absences must be approved by the Music Director.
- (C) Members will make every effort to arrive at all rehearsals on time.

Section 5. Removal.

- (A) The decision to ask a singer to resign from CCCS rests with the Music Director, or in case of extended absence of the Music Director, with the Board.
- (B) Unpaid dues may constitute removal of a singer.

ARTICLE III
Board of Directors

Section 1. General Powers.

The Board of Directors shall have general power to control and manage the affairs and property of CCCS in accordance with these Bylaws, the Articles of Incorporation, and any applicable laws of the state of North Carolina. The Board is responsible for overall policy and direction of CCCS. Specific powers of the Board of Directors include but are not limited to:

- (A) defining the mission, goals, and objectives of CCCS, and assigning priorities among the goals and objectives when needed;
- (B) hiring the Music Director and Accompanist and (substitute Music Director and substitute Accompanist to receive compensation approved by Board.)
- (C) approving major personnel policies;
- (D) reviewing and approving CCCS's budget;
 - (1) approving budget for all musicians and retaining related records;
 - (2) approving the purchase of scores for the CCCS music library and equipment and supplies to support the mission of CCCS;
- (E) raising the financial resources required to meet CCCS's goals and objectives, and establishing general fund raising policies;
- (F) determine dates and locations for at least two concerts per calendar year upon receiving recommendations from the Music Director; and
- (G) conducting an annual review and evaluation of CCCS's performance of the goals and objectives of highest priority.

Section 2. Number and Qualifications.

- (A) The number of Directors constituting the Board shall be 7 to 12, but in no event shall the Board consist of less than 3 Directors.
- (B) Each Director shall be at least eighteen (18) years of age.
- (C) Each Director shall have a demonstrated commitment to CCCS's mission.
- (D) Directors shall not be directly related (immediate family members) to each other.

Section 3. Nomination.

The President of the Board of Directors shall appoint a Nominations Committee annually in September which shall be responsible for producing a slate of candidates for election to the Board of Directors, in accordance with such procedures as the Board of Directors may by resolution determine,

- (A) consisting of one person from each voice section,
- (B) serving a yearly term, with a maximum of 5 consecutive terms, and
- (C) presenting a slate of officers in writing for election to the chorus one week prior to the Annual Meeting.

Section 4. Election and Term of Office.

Elections shall take place at the Annual Meeting. [Article III. Section 9 (B)]

- (A) Additional nominations may be made at the Annual Meeting from the membership, provided the consent of the nominee has been obtained.
- (B) Elections shall be by acclamation or ballot.
- (C) Those elected shall attend the November and December Board of Directors Meetings as non-voting members and shall assume their duties at the following January Board of Directors Meeting with

full voting privileges.

(D) Outgoing Officers shall turn over files and records prior to the January meeting.

(E) Officers serve two-year terms, not to exceed three consecutive terms without an interval of one year between terms.

(1) President and Secretary to be elected on odd years, and

(2) Vice-president and Treasurer to be elected on even years.

(F) Appointed Directors will continue to serve at the discretion of the Board.

(G) Directors may serve in more than one role on the Board (with the exception of Officers.)

Section 5. Removal.

(A) Any Director may be removed at any time for cause by a vote of a majority of the entire Board at any special meeting of the Board called for that purpose, provided that at least one week's notice of the proposed action shall have been given to the entire Board of Directors then in office.

(B) Without prior notification (from voting members), a Director who misses three meetings during a one-year period shall result in the office/position being declared vacant, but may be reinstated by a vote of a majority of the entire Board for good cause shown.

Section 6. Resignation.

Any Director may resign from office at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by CCCS or its Chair. The acceptance of a resignation by the Board of Directors shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of a Director.

Section 7. Vacancies and Newly Created Directorships.

Any newly created Directorships and any vacancies on the Board of Directors arising at any time and from any cause may be filled at any meeting of the Board of Directors by a majority of the Directors then in office, regardless of their number, and the Directors so elected or appointed shall serve until the next annual meeting or pursuant to Section 4(F) above.

Section 8. Quorum and Voting.

(A) Unless greater proportion is required by law, a majority of the voting Board members shall constitute a quorum for the transaction of business or of any specified item of business. Except as otherwise provided by statute or by these Bylaws, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board of Directors.

(B) A Director who is present at a meeting of the Board of Directors at which action on any CCCS matter is taken shall be presumed to have assented to the action taken unless:

(1) he or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding it or transacting business at the meeting;

(2) his or her dissent or abstention from the action taken is entered in the minutes of the meeting;

or

(3) he or she files written notice of his or her dissent or abstention with the presiding Officer of the meeting before its adjournment or with CCCS immediately after adjournment of the meeting.

(C) The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

(D) If at any meeting of the Board there shall be less than a quorum present, the Directors present may adjourn the meeting until a quorum is obtained.

Section 9. Meetings.

(A) Meetings of the full Board of Directors may be held at any place within or without the State of North Carolina as may be fixed by resolution of the Board, or as may be specified in the notice or waivers of notice thereof.

(B) The Annual Meeting of CCCS shall be held during the month of October each fall.

(1) The Annual Meeting will be announced one rehearsal in advance of the meeting date.

(2) The meeting will be officiated by the President.

(3) The Nominating Committee will present Officer nominations.

(4) Officer elections will be held and Board membership announced.

(5) CCCS Bylaws will be presented to the membership, copies upon request or by electronic mail transmission.

(6) The Annual Budget will be provided to the membership.

(7) Electronic voting by members in good standing is allowed under special circumstances as defined by the Board of Directors.

(8) Proxy voting is not allowed.

(C) Regular meetings of the Board shall be held monthly during the choral season prior to rehearsals.

(D) Special meetings of the Board may be called by or at the request of the President or any three Directors.

(E) Meetings may be held at any time without notice if all the Directors are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing.

Section 10. Notice of Meetings.

Notice of the time and place of each regular or special meeting of the Board, together with a written agenda stating all matters upon which action is proposed to be taken and, to the extent possible, copies of all documents on which action is proposed to be taken

(A) shall be provided to each Director via electronic mail, telephone, cellular phone text message, or facsimile.

(B) twenty-four hours before the day on which the meeting is to be held; provided, however, that

(1) notice of special meetings to discuss matters requiring prompt action may be sent to him or her at such address in the same manner as Section 10(A) above

(2) before the time at which such a meeting is to be held, unless the meeting must be held immediately.

(C) In the case of facsimile (fax) or electronic mail notification, the Director to be contacted shall make every effort to acknowledge personal receipt of the fax or electronic mail notice by a return message or telephone call within twenty-four hours of the first fax or electronic mail transmission.

Section 11. Waiver of Notice.

(A) A Director may waive any notice required by prevailing law, the Articles, or by these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing, signed by the Director entitled to the notice, and filed with the minutes or CCCS records.

(B) A Director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon his or her arrival) objects to holding the meeting or transacting business at the meeting because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting.

Section 12. Action by the Board.

(A) Any action required or permitted to be taken by the Board or by any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

(B) Any one or more members of the Board or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 13. Conduct of Meetings.

(A) Meetings of the Board of Directors shall be presided over by the President of the Board, or, in his or her absence, by the Vice President of CCCS, or in the absence of each of these persons, by a Chair chosen by a majority of the Directors present at the meeting.

(B) The Secretary of CCCS shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding Officer shall appoint another person to act as Secretary of the Meeting.

(C) Confidentiality concerning any matters of member conduct discussed by the Board will be maintained.

Section 14. Appointed Directors and Committees of the Board.

(A) The Board of Directors may, by resolution adopted by a majority of the entire sitting Board, establish and appoint an Executive and other standing committees, which shall have and may exercise such powers as conferred or authorized by the resolutions creating them. The President of the Board shall appoint the chair of each committee of the Board.

(B) If an Executive Committee is created, it shall be composed of three or more Directors of the Board, shall include the President of the Board, and shall have all the powers and authority of the Board of Directors in the intervals between meetings of the Board, subject to the direction and control of the Board of Directors.

(C) All Bylaws so stated herein which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board, apply to committees of the Board and their members as well.

(D) Each committee shall have one or more Directors and, to the extent provided in the resolution establishing it, shall have all the authority of the Board except as to the following matters:

(1) elect, appoint, or remove Directors, or fill vacancies on the Board;

(2) adopt, amend, or repeal the Articles of Incorporation or the Bylaws;

(3) amend or repeal any resolution of the Board which by its terms shall not be so amendable or repeatable;

(E) The designation of any committee and the delegation thereto of authority shall not relieve the Board of Directors of any responsibility or liability imposed upon it or him or her by law.

(F) The following Appointed Directors and Committees shall serve at the discretion of the Board:

(1) Librarian:

(a) stores, distributes, collects and inventories all music scores with annual chorus dues waived as remuneration for this amount of work;

(b) does not assume responsibility for any damage to music or file cabinets (e.g. from fire or flood).

(2) Grant Writer:

- (a) prepares and submits grant documents seeking revenue to fund CCCS expenses.
- (3) Ways and Means:
 - (a) organizes and supervises CCCS fund-raisers as approved by the Board;
 - (b) oversees other community activities involving sponsors and donors.
- (4) Publicity:
 - (a) arranges publicity for all CCCS activities and programs through articles in newspapers and other media;
 - (b) prepares or coordinates the preparation of concert posters and programs in conjunction with the Music Director.
- (5) Historian:
 - (a) prepares and maintains records of programs and public announcements about CCCS;
 - (b) arranges for permanent binding of CCCS historical records and may display these at rehearsals or concerts as appropriate.
- (6) Scholarship:
 - (a) coordinates Scholarship and Choral Internship Programs, including preparing documents, publicizing programs, supervising selection process, maintaining recipient records and continued eligibility;
 - (b) keeps or causes to be kept full and accurate accounts of solicited scholarship funds and disbursements.
- (7) Chorus Representative(s) - one or more, not to exceed four:
 - (a) support(s) and participate(s) in decisions of the Board.
- (8) Non-chorus member(s)-at-large - one or more, not to exceed four:
 - (a) chosen from the community to bring an outside influence with regard to fund-raisers and other projects and Board concerns
- (9) Sergeant at Arms:
 - (a) Supervises the setting up and breaking down of the stage area for all concerts and rehearsals;
 - (b) Supervises chorus entrances and exits at concerts.
- (10) Ex-officio (non-voting) Board Members:
 - (a) Music Director

Section 15. Compensation.

No Director/Board member shall receive any compensation for his or her service in such capacity as Director or CCCS member, except that the Board of Directors may by resolution provide for the reasonable compensation for external services rendered to CCCS when authorized by two-thirds of the Board of Directors and only when so authorized.

ARTICLE IV *Officers, Employees and Agents*

Section 1. Officers.

(A) The Officers of CCCS shall be a President of the Board of Directors, a Vice-President of the Board, a Secretary, and a Treasurer, and such other Officers, including one or more Vice-Presidents, as the Board of Directors may authorize, and such subordinate officers as the Board of Directors may appoint or authorize the President to appoint.

(B) Any two or more Offices may be held by the same person except that no one person may hold the offices of President and Secretary, and no Officer may act in more than one capacity where action of

two or more Officers is required.

(C) No instrument required to be signed by more than one Officer may be signed by one person in more than one capacity.

Section 2. Other Agents and Employees.

(A) The Board of Directors may from time to time appoint such agents and employees as it shall deem necessary, each of whom shall hold office at the pleasure of the Board of Directors, and shall have such authority, perform such duties (and receive such reasonable compensation,) if any, as a majority of the Board of Directors may from time to time determine.

(B) No such other Officer or agent needs to be a Director of CCCS.

(C) To the full extent allowed by law, the Board of Directors may delegate to any Officer or agent any powers possessed by the Board of Directors and may prescribe their respective title, terms of office, authorities and duties.

Section 3. Removal.

Any Officer, employee, or agent of CCCS may be removed with or without cause by a vote of the majority of the entire Board of Directors whenever the best interest of CCCS would be thereby served.

Section 4. Vacancies.

In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be appointed by the Board of Directors.

Section 5. President: Powers and Duties.

The President shall preside at all meetings of the Board of Directors and shall perform the following duties and responsibilities:

(A) have general supervision over the affairs of CCCS, and shall keep the Board of Directors fully informed about the activities of CCCS;

(B) have the power to sign and execute alone, in the name of CCCS, all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature;

(C) appoint the chair of all Board committees and serve as liaison among CCCS's Board, its committees, and the staff;

(D) maintain liaison as needed with foundations supporting CCCS and other potential funding sources;

(E) facilitate and coordinate the Board's discharge of its responsibilities as set forth in the Bylaws and by Board resolutions;

(F) perform all the duties incident to the office of the President and perform such other duties as from time to time may be assigned by the Board of Directors.

Section 6. Vice-President: Powers and Duties:

The Vice-President, or Vice-Presidents, if authorized, shall have such powers and duties as may be assigned to them by the Board of Directors or as the President may delegate. In the absence of the President, the Vice-President shall perform the duties of the President, and fills any unexpired term of the President.

Section 7. Secretary: Powers and Duties.

The Secretary shall do or oversee the following:

(A) keep, or cause to be kept, an accurate record of the minutes of the Annual Meeting and all

meetings of the Board of Directors and the Executive Committee, including all votes and resolutions adopted, and disburses copies to the Board in a timely manner;

(B) make available a copy of meeting minutes to interested general members upon request and preserve records for a minimum of three years.

(C) record all CCCS documents and records;

(D) issue notices for the Annual Meeting and for meetings of the Board of Directors;

(E) file, or cause to be filed, all reports required by governmental authorities;

(F) hold in custody and be responsible for all reports, contracts, other legal papers, minute books, and the Corporate seal, which items will be kept in such depository as prescribed by the Board; and

(G) perform all the duties customarily incident to the office of Secretary, subject to the control of the Board of Directors;

(H) prepare or oversee preparation and maintenance of a current roster of members.

Section 8. Treasurer: Powers and Duties.

The Treasurer shall do or oversee the following:

(A) keep or cause to be kept full and accurate accounts of receipts and disbursements of CCCS

(1) collects and records membership dues and reports non-paid members to the Board after November 1 (Fall season) and March 1(Spring season);

(B) pay out or cause to be paid out funds authorized by the Board in a timely manner with checks being signed by the Treasurer or President of CCCS;

(C) deposit or cause to be deposited all moneys, evidences of indebtedness and other valuable documents of CCCS in the name and to the credit of CCCS in such banks or depositories as the Board of Directors may designate;

(D) submit an accurate monthly financial report to each sitting Director;

(E) keep accurate records of financial transactions and maintain bank statements that shall be available for audit annually;

(F) exhibit CCCS's books and accounts to any Officer or Director of CCCS at all reasonable times;

(G) present the budget for the choral season, utilizing input from the Music Director, at the Annual Meeting;

(H) perform all duties incident to the position of Treasurer, subject to the control of the Board of Directors; and shall, when required

(I) give such security for the faithful performance of his or her duties as the Board of Directors may determine.

(J) Prepare, submit and pay (when required) tax statements as they are due to state and federal tax authorities (ie., NC Sales & Use tax and Federal IRS tax payments (Postcard form 990).

Section 9. Music Director: Powers and Duties.

The Music Director, whose services are secured by the Board of Directors and confirmed per written contract annually, shall do or oversee the following:

(A) attend Board meetings as an ex-officio (non-voting) member of the Board;

(B) conduct all rehearsals and performances, making every effort to allow ample time for CCCS business and announcements;

(C) select music for concert performances, sharing plans with the Board in advance of the choral season, without requiring Board approval;

(D) propose concert dates, locations, and additional concert participants for approval by the Board;

(E) prepare/approve concert posters and programs (Refer to Article III, Section 14. F. (4)];

(F) select the person(s) for substitute Accompanist and substitute Music Director(s) without requiring

Board approval; and

(G) work with the Treasurer to develop the yearly budget and keep all expenses within approved budget.

Section 10. Accompanist: Powers and Duties.

The Accompanist, whose services are secured by the Board of Directors and confirmed per written contract annually, shall do or oversee the following:

(A) Under the instructions of the Music Director, prepares and plays all music, including individual voice lines and accompaniment; and

(B) accompanies all performances, unless a separate accompanist is required.

ARTICLE V

General Standards for Directors and Officers

Section 1. Discharge of Duties.

(A) A Director of the Board shall discharge his or her duties as a Director, including his or her duties as a member of a committee, and/or an Officer with discretionary authority shall discharge his or her duties under that authority:

(1) in good faith;

(2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(3) in a manner the Director and/or Officer reasonably believes to be in the best interests of CCCS.

(B) In discharging his or her duties, a Director and/or Officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(1) one or more Officers or employees of CCCS whom the Director and/or Officer reasonably believes to be reliable and competent in the matters presented;

(2) legal counsel, public accountants, or other persons as to matters the Director and/or Officer reasonably believes are within their professional or expert competence; or

(3) a committee of the Board of which he or she is not a member if the Director and/or Officer reasonably believes the committee merits confidence.

Section 2. Actual Knowledge.

A Director and/or Officer is not entitled to the benefit of subsection (B) of Section 1 if he or she has actual knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (B) of Section 1 unwarranted.

Section 3. Liability.

(A) A Director and/or Officer is not liable for any action taken as a Director and/or Officer, or any failure to take any action, if he or she performed the duties of his or her office in compliance with Sections 1 and 2.

(B) A Director's and/or Officer's personal liability for monetary damages for breach of a duty as a Director and/or Officer may be limited or eliminated only to the extent provided in G.S. 55A-8-60 or permitted in G.S. 55A-2-02(b) (4) of the General Statutes of North Carolina, and a Director and/or Officer may be entitled to indemnification against liability and expenses pursuant to Part 5 of Article 8 of this Chapter.

ARTICLE VI
Conflicts of Interest

Section 1. Disclosure.

(A) A Director and all other “Interested Persons” as defined below shall inform the Board of Directors and any committee of the Board exercising Board-delegated powers, of any direct or indirect conflict of interest which the Interested Person has with regard to any transaction or arrangement contemplated by the Board of Directors (a “Conflict of Interest”). A Conflict of Interest shall exist in actions including, but not be limited to, actions concerning a transaction or arrangement:

- (1) in which the Interested Person has a material financial interest, or
- (2) in which the Interested Person is presently serving as a director, trustee, officer or general partner of another party, or
- (3) in which the Interested Person is related in any way to a scholarship applicant.

(B) The information provided by the Interested Person shall include all material facts relating to the financial or familial interest.

(C) An “Interested Person” is a Director, an Officer, or a member of a committee with Board-delegated powers who has a direct or indirect “financial interest,” as defined below. An Interested Person who has a financial interest in one or more organizations connected to or controlled by CCCS will be considered to have a financial interest in all related organizations within the system.

Section 2. Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- (A) an ownership or investment interest in any entity with which CCCS has a transaction or arrangement, or
- (B) a Compensation arrangement (“Compensation” is defined below.) with CCCS or with any entity or individual with which CCCS has a transaction or arrangement, or
- (C) a potential ownership or investment interest in, or Compensation arrangement with, any entity or individual with which CCCS is negotiating a transaction or arrangement.

Compensation includes direct and remuneration and gifts or favors which are substantial in nature.

Section 3. Determination that a Conflict of Interest Exists.

The Board of Directors (or a committee exercising Board-delegated powers) shall determine whether the financial interest of the Interested Persons may result in a conflict of interest. The Interested Person may participate in the discussion but should leave the meeting prior to the end of the discussion and vote. The members of the Board of Directors (or committee) who are not Interested Persons should determine by a majority vote whether a conflict of interest exists. If the Board (or committee) determines that no conflict exists, the Interested Person may return to the meeting.

Section 4. Procedures for Addressing the Conflict of Interest.

If the Board (or committee) determines that a conflict of interest exists, the following procedures shall apply:

(A) Pursuant to the provisions of Section 55-8-31 of the General Statutes of North Carolina, when the Interested Person is a Director, the Director may participate in the discussion but may not vote on the transaction or arrangement and should leave the room prior to the completion of the discussion and vote. In the case of scholarship applicants, the Director (or committee member) may not enter into the

discussions, and must leave the room prior to discussions and votes. When a Director does not vote because of a Conflict of Interest, the act of the majority of the Directors voting shall be the act of the Board of Directors if a quorum is present at the meeting. The same procedure shall apply with respect to a committee when the Interested Person is a committee member.

(B) If appropriate, the Board (or committee) may appoint a non-interested person or committee to investigate alternatives to the proposed transaction or arrangement.

(C) The Board (or committee) shall determine, by a majority vote of the non-interested persons present, that the transaction or arrangement is in CCCS's best interest and for its own benefit; is fair and reasonable to CCCS; and, after exercising due diligence, that CCCS cannot obtain a more advantageous transaction or arrangement with reasonable effort5s under the circumstances.

(D) The Board (or committee) shall take appropriate disciplinary action with respect to an Interested Person who violates the Conflicts of Interest Bylaw to protect CCCS's best interests. In the case of scholarship awards, an undeclared Interested Person may cause the award to be null and void.

Section 5. Procedures for Adequate Record-keeping.

The minutes of the Board meetings and all committees with Board-delegated powers should include:

(A) The names of the persons who disclosed financial interests, the nature of the financial interests and whether the Board determined there was a conflict of interest, and

(B) The names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of these discussions, including any alternatives to the proposed transaction or arrangement; and a record of the vote.

Section 6. Procedures for Distribution of the Conflict of Interest Bylaw.

The Conflicts of Interest Bylaw is to be distributed to all Directors, principal officers and members of committees with Board-delegated powers at or immediately following the Annual Meeting of CCCS with an attached Annual Statement that each person should sign and return prior to or at the next meeting of the Board (or committee.) The Annual Statement will provide that the person:

(A) received a copy of the Conflicts of Interest Bylaw;

(B) has read and understands the Bylaw;

(C) agrees to comply with the Bylaw;

(D) understands that the Bylaw applies to all committees and subcommittees having Board-delegated powers; and

(E) understands that CCCS is a charitable organization and that in order to maintain its tax-exempt status, it must continuously engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The Annual Statement and Conflicts of Interest Bylaw will also be provided to newly elected Directors, principal officers and committee members who take office other than at the Annual Meeting.

Section 7. Application of the Conflicts of Interest Bylaw for Compensation.

In addition to the procedures listed at Section 6, no Director or Officer who receives, directly or indirectly, compensation from CCCS, for services as an employee or as an independent contractor, may vote on matters pertaining to that Interested Person's compensation.

Section 8. Periodic Reviews.

The Board of Directors and all committees with Board-delegated powers shall periodically (at least annually and normally in connection with the Annual Meeting) review their activities to ensure that CCCS is operating in a manner consistent with accomplishing its charitable purposes and that its

operations do not result in private inurement or impermissible benefit to private interests. The results of such periodic review shall be delivered to the Board of Directors. Issues of special concern are:

(A) whether compensation arrangements and benefits are reasonable and are the result of arm's-length negotiations;

(B) whether acquisitions of business interests (if applicable) result in private inurement or impermissible private benefit;

(C) whether partnership and joint venture arrangements, and arrangements with any organizations conform to written policies, are properly recorded, reflect reasonable payment for goods or services, further charitable purposes and do not result in private inurement or impermissible private benefit; and

(D) whether agreements to provide services and agreements with other service providers, serve charitable purposes.

ARTICLE VII

Contracts, Checks, Bank Accounts and Investments

Section 1. Checks, Notes and Contracts.

The Board of Directors is authorized to select the banks or depositories it deems proper for the funds of CCCS and shall determine who shall be authorized in CCCS's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and documents.

Section 2. Investments.

The funds of CCCS may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board of Directors may deem desirable.

ARTICLE VIII

Fiscal Year

The fiscal year of CCCS shall commence on July 1 and terminate on June 30, unless otherwise determined by the Board of Directors.

ARTICLE IX

Indemnification

CCCS may, to the fullest extent now or hereafter permitted by and in accordance with the standards and procedures provided for by applicable law and any amendments thereto, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he, his testator or intestate was a Director, Officer, employee or agent of CCCS, against judgments, fines, reasonable amounts paid in settlement and reasonable expenses, including attorneys' fees, except in relation to such matters as to which he or she shall finally be adjudicated in such action, suit, or proceeding to have acted in bad faith and to have been liable by reason of willful misconduct in the performance of his or her duty as such Director or Officer.

ARTICLE X

Dissolution and Distribution of Assets

No part of the net earnings of CCCS shall inure to the benefit of, or be distributable to its Directors, Officers, or other private persons, except that CCCS shall be authorized and empowered to pay

reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. CCCS may be dissolved and its assets and liabilities liquidated in such manner as the Board of Directors shall resolve, provided that upon dissolution, after payment of all debts, no part of the remaining assets may be distributed to any Director or Officer of CCCS, but shall be distributed as the Articles of Incorporation direct in accordance with such laws and regulations as may be applicable thereto, provided, however, that the distribution must be to another organization exempt under Section 501©)(3) of the Internal Revenue Code (or the corresponding section of any future federal tax code,) or to the federal, state, or local governments, for a public purpose.

ARTICLE XI
Parliamentary Authority

The latest edition of *Robert's Rules of Order* shall be the authority on parliamentary law and its usage, unless otherwise provided by these Bylaws.

ARTICLE XII
Amendments

These Bylaws may be altered, amended, or repealed and new Bylaws adopted upon the affirmative vote of two-thirds of the members of the entire Board of Directors at any meeting of the Board, provided that notice of such proposed action, including the content thereof, be included in the call for the meeting.

Attest-Secretary

Date of Amendments